

SENATE BILL 463

By Rochelle

AN ACT to amend Tennessee Code Annotated, Section 67-4-402, to clarify the definition of bottled water for the sole purpose of the application of the present gross receipts tax on manufacturers or producers and distributors of bottled soft drinks.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-402(a), is amended by deleting subdivision (1) and substituting instead the following and renumbering the remaining subdivisions accordingly:

“Bottled soft drinks” includes any and all nonalcoholic beverages, whether carbonated or not, such as soda water, seltzer water, tonic water, cola drinks, orangeade, grapeade, ginger ale and the like, and all bottled preparations commonly referred to as soft drinks of whatever kind or description which are closed and sealed in glass, paper, metal, plastic, or any type of container or bottle, whether manufactured with or without the use of syrup, except where cited below. Fluid milk with or without flavoring, natural undiluted fruit juice or vegetable juice, cider, and pure fruit juice concentrate to which no additive has been made, with only water being necessary to be added to restore the juice to its natural state, and “bottled water,” as defined below, are exempt from the provisions of this section.

(2) “Bottled water” includes:

(A) "Spring water" means potable water that comes from any underground source but not from a public community water supply. Spring water collected and bottled is considered natural water and must have all the same properties and be of the same composition and quality as the water underground. Normally, spring water is expected to contain fewer than five hundred parts per million (500 PPM) of total dissolved solids (minerals).

(B) "Mineral water" means spring water except that it is normally expected to contain more than five hundred parts per million (500 PPM) of dissolved solids.

(C) "Purified water" means water that has been produced by distillation, de-ionization or reverse osmosis. The water may come from a spring, or a public community water supply. Other suitable terms for bottled water produced by one of the above processes include "distilled water," "de-ionized water," and "reverse osmosis water". Such waters may contain no added minerals; and

(D) "Drinking water" means water that has been produced by distillation, de-ionization or reverse osmosis. The water may come from a spring, or a public community water supply. Such waters may contain added minerals.

(E) Any or all of the above are deemed bottled water even if such bottled water contains natural or added carbonation.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.